



ELECTRIC CLASSIFIEDS, INC.

## MUTUAL NON-DISCLOSURE AGREEMENT

Electric Classifieds, Inc. (the "Company"), a California corporation, having a principal place of business at 340 Brannan Street #102, San Francisco, CA 94107 and Wide Area Information Servers (the "Recipient"), having a principal place of business at 690 Fifth Street, San Francisco, CA 94107, (collectively the "parties" and each a "party") hereby agree as follows:

1. Purpose. To explore a possible business relationship between the parties pursuant to which the Company and the Recipient each may disclose to the other party certain proprietary trade and business information which the disclosing party considers confidential.

2. Definition. "Confidential Information" includes information, technical data, or know-how, including, but not limited to, that which relates to the disclosing party's research, products, software, services, development, inventions, ideas, processes, designs, drawings, engineering, marketing, customers or finances, disclosed by one party to the other either directly or indirectly in writing, orally or by drawings or inspection of parts or equipment. Confidential Information shall include, but not be limited to, all materials marked "Confidential Information."

3. Disclosure. Each of the Company and the Recipient hereby agrees not to disclose to any person or entity the Confidential Information disclosed to it by the other party and agrees to use its best efforts to prevent inadvertent disclosure of such Confidential Information to others. Each party agrees to treat such Confidential Information disclosed to it by the other party with at least the degree of care that it treats similar materials of its own.

4. Use. Each party agrees not to use Confidential Information disclosed to it by the other party for its own use or for any purpose except to evaluate whether the receiving party desires to become engaged with the disclosing party in a business possibility or, after becoming engaged, to carry out such business. Each party agrees not to disclose the Confidential Information disclosed to it by the other party to any third parties or to any of its employees except employees who are required to have such Confidential Information to evaluate the business possibility, or in compliance with paragraph 7 hereof. Prior to disclosing any Confidential Information to any of its employees, agents, affiliates or any other party, each party shall notify the disclosing party, in writing, of the names of any such person or persons and the relationship of such person or persons to the receiving party, and the receiving party shall not disclose such Confidential Information to such person or persons until such time as the disclosing party shall have approved such disclosure and shall have obtained from each such person or persons an executed Confidential Non-Disclosure Agreement substantially in the same form as this Agreement. Each party agrees that it will take all reasonable steps to protect the secrecy of and avoid disclosure or use of Confidential Information of the other party in order to prevent it from falling into the public domain or the possession of unauthorized persons. Each agrees to notify the other in writing of any misuse or misappropriation of such Confidential Information of the other which may come to its attention.

5. Termination of Obligations. The obligations of each party pursuant to paragraphs 3 and 4 hereof shall terminate with respect to any particular portion of the Confidential Information provided by the other party hereto:

(i) when the receiving party can document that:

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(a) the Confidential Information provided by the disclosing party was in the public domain at the time of the disclosing party's communication thereof to the receiving party; or

(b) the Confidential Information provided by the disclosing party entered the public domain through no action of the receiving party subsequent to the time of the disclosing party's communication thereof to the receiving party; or

(ii) upon the prior written consent of the disclosing party.

6. Property Rights; Return of Materials. All materials, including, without limitation, documents, drawings, models, apparatus, sketches, designs, and lists furnished to the receiving party by the disclosing party shall remain the property of the disclosing party and nothing contained herein shall be construed as giving the receiving party any license or rights with respect to any information or materials which may be disclosed to the receiving party including the Confidential Information except the limited right to review such Confidential Information solely for the purposes of determining whether to enter into the proposed business relationship between the parties. The receiving party shall make no copies of any of the disclosing party's Confidential Information without the prior written consent of the disclosing party and the receiving party shall return to the disclosing party promptly at its request or upon the termination of the business relationship between the parties all Confidential Information along with all copies made thereof and all documents or things containing any portion of any such Confidential Information.

7. Disclosure Required by Law. Notwithstanding anything to the contrary contained in paragraphs 3 and 4 hereof, the receiving party may disclose or deliver Confidential Information of the disclosing party to the extent that such disclosure or delivery is necessary for the receiving party to comply with any law, regulation, or order of court; provided that the receiving party shall give the disclosing party reasonable advance notice of any such proposed disclosure or delivery, shall use its reasonable best efforts to secure from any person obtaining access to the Confidential Information of the disclosing party pursuant to this paragraph 7 an agreement in writing to be bound by the provisions of paragraphs 3 and 4 of this Agreement, and shall advise the disclosing party in writing of the manner of such disclosure.

8. Remedies. Each party acknowledges that compliance with the provisions of this Agreement is reasonable and necessary to protect the proprietary interests of the other party. Each party further acknowledges that any unauthorized use or disclosure to any third party in breach of this Agreement will result in irreparable and continuing damage to the other party and agrees that, in the event of such breach or threatened breach, the other party shall be authorized and entitled to obtain immediate injunctive relief and any other rights or remedies to which such other party may be entitled without the necessity of proving actual damages. In addition, in the event that a court of competent jurisdiction shall decide that such party has materially breached this Agreement, such party shall reimburse the other party for the costs of any court proceedings and reasonable attorneys' fees.

9. Miscellaneous. This Agreement shall be construed in accordance with the laws of the State of California. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof. This Agreement contains the entire agreement of, and supersedes any and all prior understandings, arrangements and agreements between the parties hereto, whether oral or written, with respect to the subject matter hereof. This Agreement is binding upon and for the benefit of the parties, their successors and assigns,

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provided that the right to receive Confidential Information may not be assigned without the written consent of the disclosing party.

By: \_\_\_\_\_ By: \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

DATED: \_\_\_\_\_ DATED: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

COMPANY: Electric Classifieds, Inc. RECIPIENT: Wide Area Information Servers

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